

METROPOLITAN TRANSIT AUTHORITY OF HARRIS COUNTY, TEXAS

# Debbie Sechler

## Executive VP & CFO



# METRO Overview

- A regional transportation system
- On August 12, 1978, Houston-area voters approved a one-cent sales tax to support METRO operations
- In January 1979, METRO began operations as a local government entity
- Currently over 3,700 employees
- Governed by a 9-member Board of Directors
- Board Approved Broker/Dealers
- Active Small Business Program



# METRO Services

- ✓ Local Buses
- ✓ METRORail
- ✓ Park & Ride Buses
- ✓ METROLift Paratransit
- ✓ HOV/HOT Lanes
- ✓ METRO STAR (vanpool)
- ✓ Motorist Assistance Program (MAP)
- ✓ Bikes on Buses



# 2015 Outstanding Public Transportation System



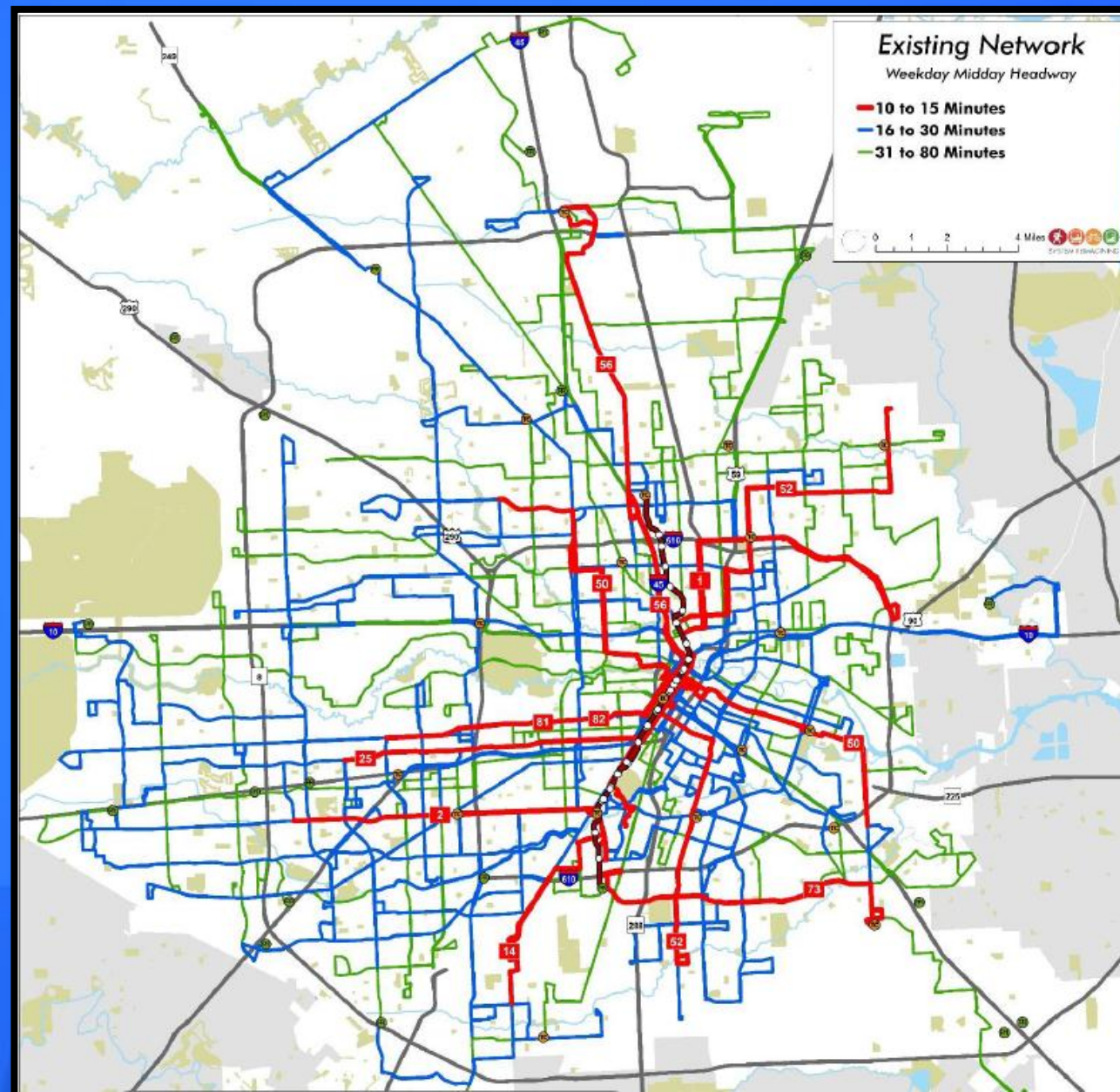
★ 2015 ★  
**APTA AWARD  
WINNER**





# New Bus Network

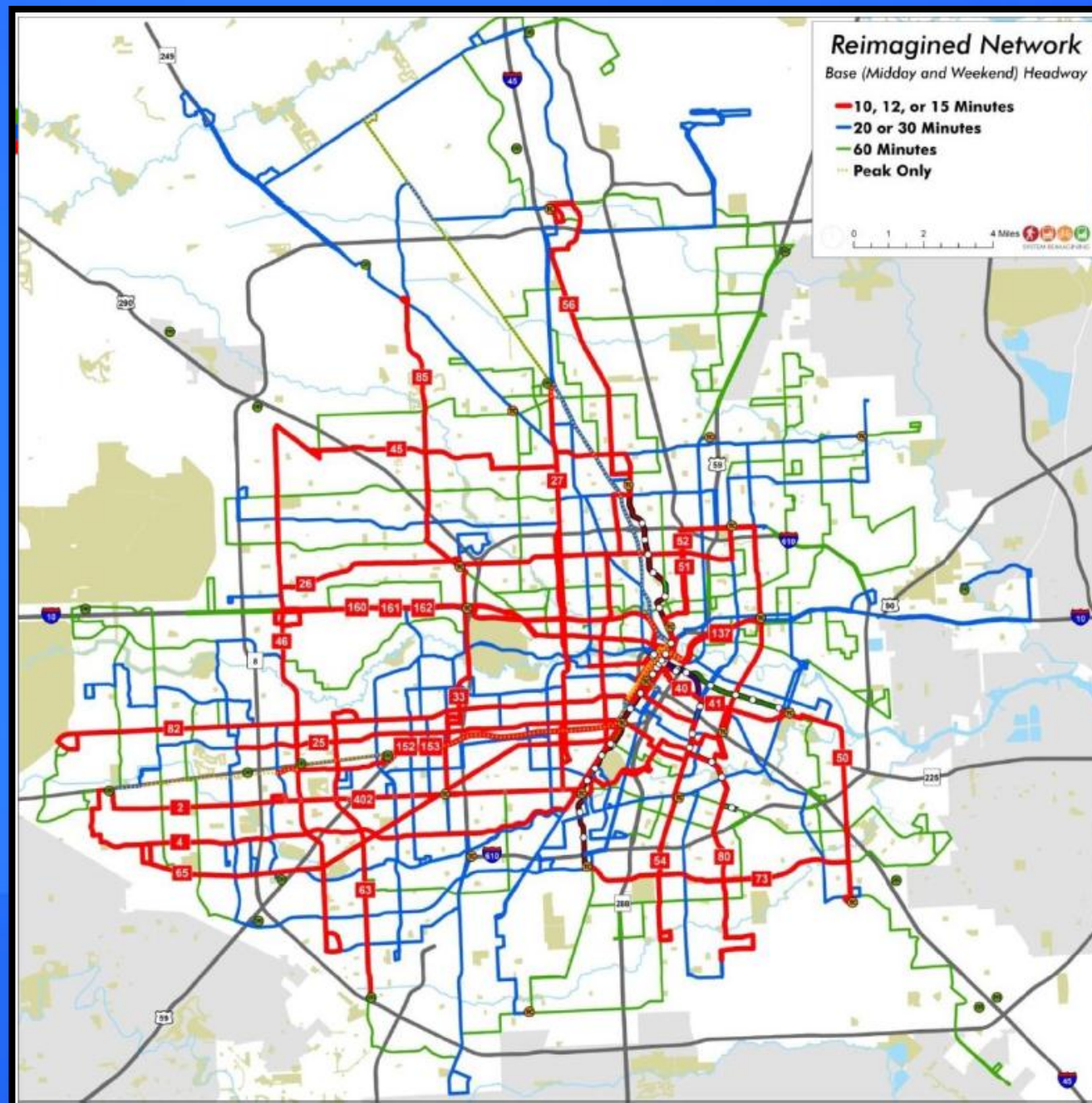
Old system - weekday





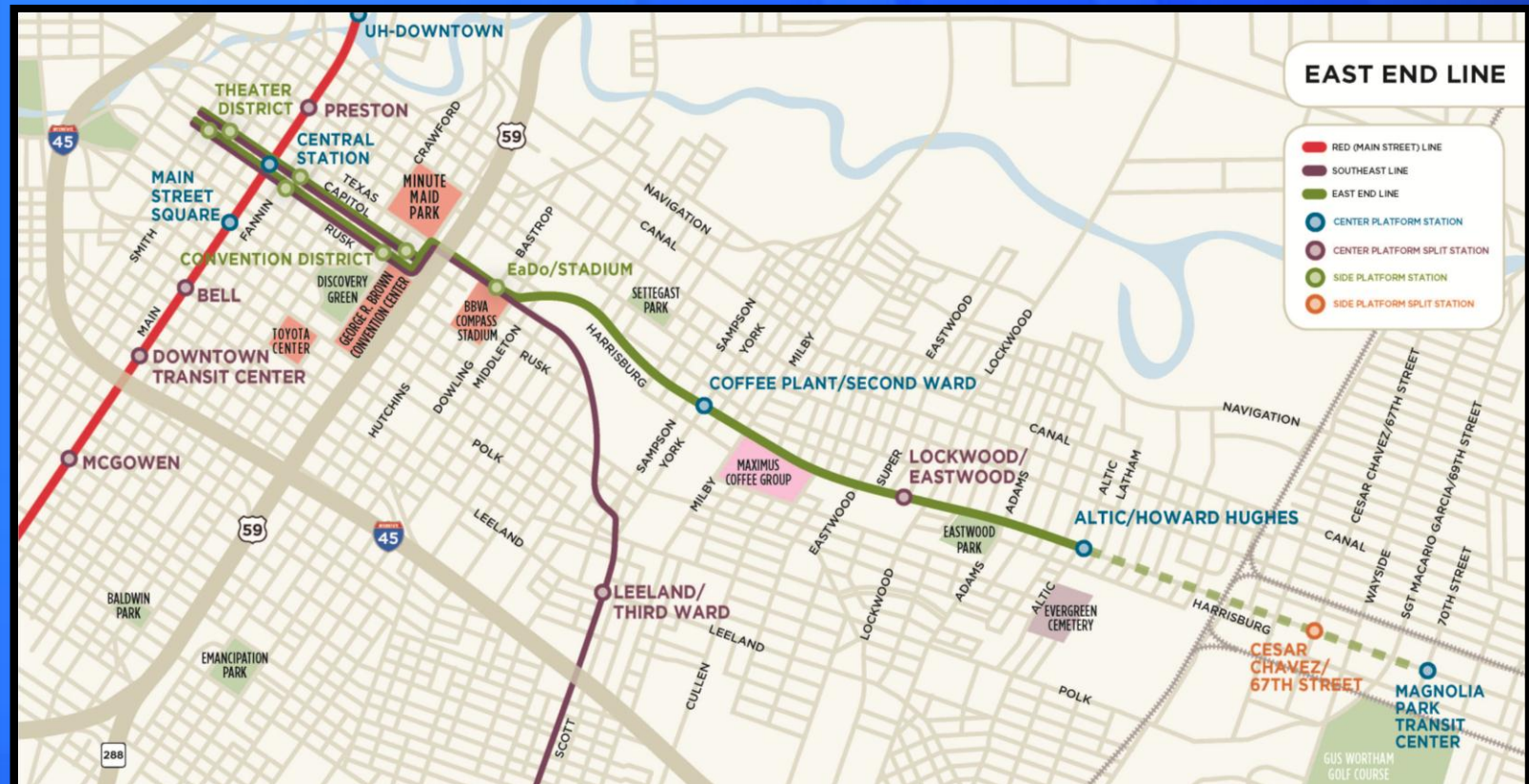
# New Bus Network

New system - everyday





# Purple (Southeast) & Green (East End) lines





# Financial Snapshot

Sources of METRO Funds ( in millions)	Current Fiscal Year							TOTAL
	Operations	General Mobility	Debt Service	METROrail Expansion	Bus Replacements	Capital Improvement	Reserves	
Sales Tax	396	173	95			31		695
Grants	78			29	8	30		145
Farebox	70							70
Borrowing					56			56
Other	14		2					16
Fund Balance				54		51	180	285
<b>TOTAL</b>	<b>558</b>	<b>173</b>	<b>97</b>	<b>83</b>	<b>65</b>	<b>112</b>	<b>180</b>	<b>1,268</b>



# METRO's Debt History

- 2003: Referendum authorized \$640MM of bonds for system
- 2008: \$108MM of Certificates of Participation for buses
- 2009: \$255MM of Sales Tax Bonds and KO's issued
  - \$177MM voter authorized bonds for Rail Expansion
  - \$78MM KO's for rail vehicles and buses
- 2010: \$40MM of Sales Tax KO's for buses
- 2011: \$510MM of Sales Tax Bonds and KO's issued
  - \$461MM voter authorized bonds for Rail Expansion
  - \$49MM KO's for buses
- 2014: \$131MM of Sales Tax KO's for rail vehicles and buses
- 2015: \$115MM of Sales Tax Bonds and KO's for buses and take-out

**METRO may hold future elections to authorize additional sales tax bonds.**

# METRO's Debt Program

- Dedicated sales tax underpins METRO's long term credit ratings
- Commercial paper supported by J.P. Morgan and State Street credit facilities

Total Debt Outstanding (by Lien)			
Lien	Par Outstanding	Moody's	S&P
Sales Tax Bonds	\$ 663,505,000	Aa2	AA+
Sales Tax Contractual Obligations	303,660,000	Aa2	AA+
Certificates of Participation	56,435,000	A1	A+
Commercial Paper	117,400,000	P-1	A-1+
<b>Total</b>	<b>\$ 1,141,000,000</b>		

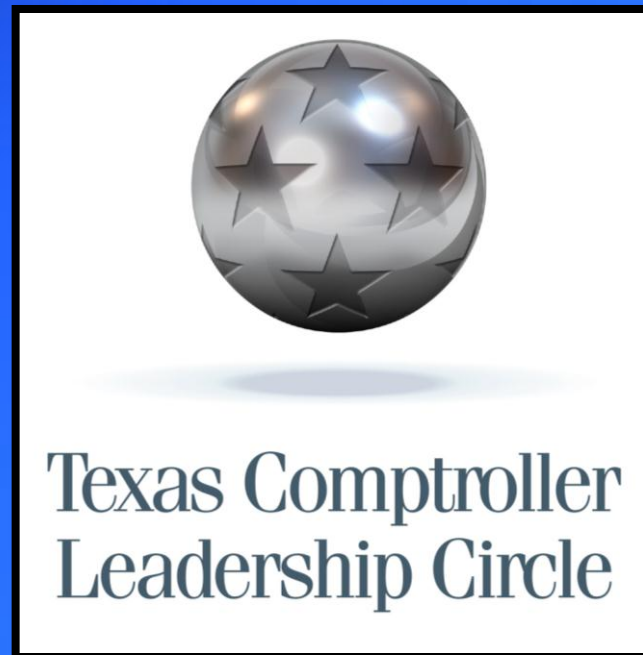


# Upcoming Financing

- **April 2016**
  - ▶ METRO plans to refund existing Sales & Use Tax Bonds and Contractual Obligations (KO's)
  - ▶ Rated Aa2 by Moody's and AA+ by S&P
  - ▶ Issuance is estimated at \$125 million\*
- **Fall 2016**
  - ▶ \$56 million\* KOs to finance bus acquisitions

\* Preliminary, subject to change

# METRO Financials



- PLATINUM Leadership Circle Award for transparency
  - By the Texas Comptroller
  - 2nd Year in a row; added in 2014
  - Earned Gold status previous four years



- Certificate of Achievement for Excellence in Financial Reporting
  - By the Government Finance Officers Association (GFOA)
  - 23<sup>rd</sup> consecutive year